

## **Department of Management and Budget**

### **► Agency Mission**

To provide financial and analytical consultant services, develop a financial plan, and produce information for Fairfax County agencies, the Board of Supervisors, the County Executive, and citizens, in order to maintain the County's fiscal integrity and accountability, and to support effective decision-making.

### **► Trends/Issues**

#### **Accomplishments**

- The Department of Management and Budget has produced fiscally sound annual budget plans and maintained rigorous monitoring procedures to ensure agencies' expenditures do not exceed appropriations. As a result, budget vs. actual expenditure and revenue variances of 2 percent or less have been achieved.
- DMB undertook an in-depth review of County budget practices in order to provide increased flexibility and accountability to agencies, streamline operations by ensuring that technology is fully leveraged, reduce paperwork, and ensure that budget-related procedures add value to the process both in terms of quality and type of data presented to the public and the Board of Supervisors.
- Due to strong budgetary control on spending, and reliance on a number of self-imposed financial and debt management practices, Fairfax County maintains a Triple A rating from all three bond rating agencies (Standard and Poors, Moody's, and Fitch Investors Service) which resulted in the significant bond sale savings – more than \$162.8 million since 1978.
- A comprehensive performance measurement system based on the Managing for Results approach has been implemented. The County's four-step methodology uses a Family of Measures to link agency resources (the budget) to results (performance measures) to increase accountability. Performance measures are less geared toward outputs and more targeted to outcomes and service quality.
- DMB has gained increasing recognition on the local, national and international level as a leader in the areas of performance measurement, and budget policy and development. Government officials from across the nation and around the world (including China, Russia, Japan, Korea, etc.) have come to Fairfax County to learn about the County's innovative approaches to performance measurement and budgeting.
- DMB earned the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) award, which represents the highest form of recognition by GFOA for governmental budgeting, each year for the past 16 years.
- DMB staff provided considerable staff support to the Department of Human Resources on the Market Pay and Benefits Study as well as implementation of the Performance Management/Pay for Performance initiative, and continues to provide technical assistance in administration of pay for performance.

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- DMB has sought to maximize the application of technology, particularly CD-ROM and web technology, to increase Board, staff and citizen access to budget information, improve communication and achieve cost efficiencies. In 2000, DMB initiated offering all the annual budget volumes (Volumes I and II as well as the Overview) on CD-ROM to reduce printing and mailing costs as well as enable the public to search for information more efficiently. In 1999, DMB developed its own intra-agency website as a tool for rapid communication and information sharing within DMB. DMB also has sites on the Infoweb and the County's website. Since FY 1997, these sites have been continuously improved with a goal of making them more interactive for users -- both citizens and staff.

### **Issues/Trends**

- There continues to be mixed economic conditions and uncertainty about the strength and direction of the County's future economic growth. The local economy continues to grow moderately, but leading indicators point to slower future growth.
- In the past year, the County revenue picture has been changing. Reliance on real estate tax revenue has increased from 51 percent of all revenue in FY 2001 to 53.2 percent in FY 2002, highlighting the need to diversify the County's revenue stream. All other sources of revenue are either essentially flat or declining.
- State policies with regard to revenue and reimbursements have impacted anticipated revenue to agencies, particularly human services and public safety agencies.
- The State's tax structure continues to challenge localities. A General Assembly-appointed commission will again look at the issue, but the outlook for changes is somewhat pessimistic. Fairfax County receives only 19 cents for every dollar in taxes collected by the State, which continues to cap, control or in some way limit 87 percent of the County's non-real estate tax revenue.
- The capital funding needs of the County continue to increase and are driven by school, transportation, and County facility requirements. Debt policies will be reviewed and revised to address the County's current and projected capital construction requirements.

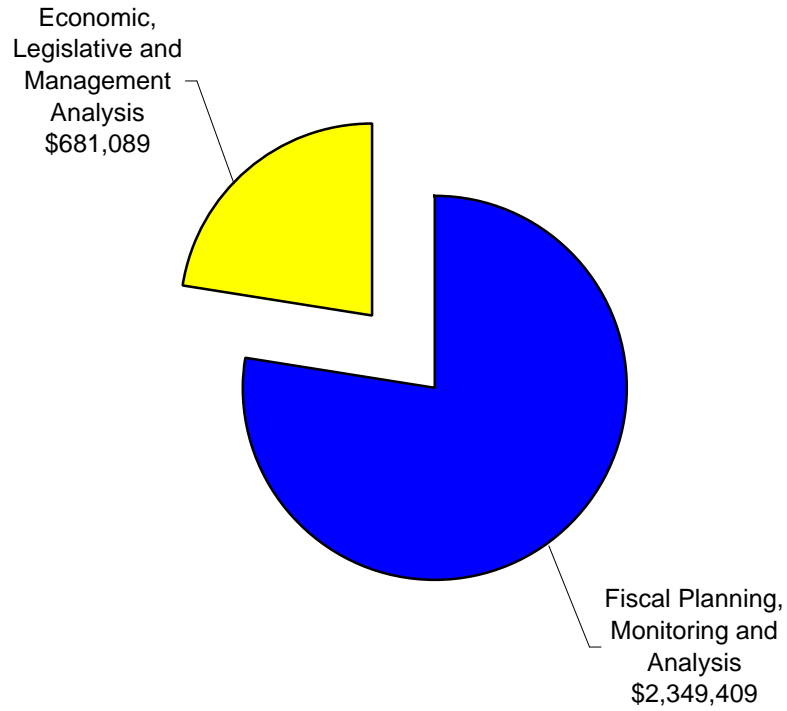
### **► Summary of All Agency CAPS**

<b>CAPS Number</b>	<b>CAPS Title</b>	<b>CAPS Net Cost</b>	<b>CAPS Number of Positions/SYE</b>
20-01	Fiscal Planning, Monitoring and Analysis	\$2,349,409	32/32
20-02	Economic, Legislative and Management Analysis	\$681,089	9/9
<b>TOTAL Agency</b>		<b>\$3,030,498</b>	<b>41/41</b>

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Total FY 2002 Adopted Budget Expenditures = \$3,030,498

Total FY 2002 Adopted Budget Net Cost = \$3,030,498